

FISCAL NOTE

HB 407 - SB 1616

March 20, 2007

SUMMARY OF BILL: Requires any agency that is responsible for administration of state and local public benefits to verify the identity of each applicant, verify the immigration status of any applicant, and make a written report to federal immigration authorities for any violation of federal immigration law. Failure to report violations of immigration law is a Class A misdemeanor.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$7,287,600 Recurring
\$729,300 One-Time**

**Increase Local Govt. Expenditures – Not Significant
Increase Local Govt. Revenues – Not Significant**

Assumptions:

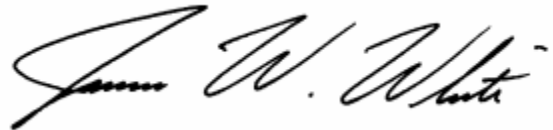
- Existing federal law requires proof of citizenship or legal immigration status to receive federal benefits. The TennCare program and all federal programs are administered through the Department of Human Services (DHS). Since many of the recipients of the federally funded programs (either fully funded or partially funded) overlap, the citizenship status is being verified through the application process of the programs.
- The U.S. Department of Agriculture administers the Food Stamp program, the Child and Adult Care Food program, and the Summer Food Service Program. It is assumed that these programs will be excluded due to federal regulations.
- DHS contracts with local governments, agencies and non-profit organizations to operate several programs. It is estimated that the verification requirements will increase the administrative duties of the agencies. With a one percent increase in administrative costs, DHS will incur an increase in state expenditures of \$457,700.
- In 2006, there were approximately 1,965,160 encounters in county health departments.
- The Department estimates that each of the 89 rural county health departments will need two Public Health Office Assistants for verification and determination of qualified individuals. Nine Public Health Rep 2

positions will be needed for the early detection and treatment of the increased communicable diseases. Such is estimated to increase recurring state expenditures by \$6,340,600 for salary and benefits (\$5,134,200), travel (\$27,000), printing and duplication (\$20,000), supplies (\$130,900), rentals and insurance (\$766,700) and communication and technology services (\$261,800). There will be a one-time increase in expenditures of \$729,300 for office set-up and supplies.

- The Department also contracts for services with six metro health offices. There will be 16 additional positions to provide verification and determination of qualified individuals which is estimated to increase recurring expenditures by \$432,300.
- There will an increase in recurring expenditures of \$57,000 for two computer links within each county to access the SAVE program.
- There will not be a significant impact to local government expenditures or revenues for the Class A misdemeanor which is created.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director